

105TH CONGRESS
2D SESSION

S. 1642

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 13, 1998

Referred to the Committee on Government Reform and Oversight

AN ACT

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Financial As-
5 sistance Management Improvement Act of 1998”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) there are over 600 different Federal finan-
4 cial assistance programs to implement domestic pol-
5 icy;

6 (2) while the assistance described in paragraph
7 (1) has been directed at critical problems, some Fed-
8 eral administrative requirements may be duplicative,
9 burdensome or conflicting, thus impeding cost-effec-
10 tive delivery of services at the local level;

11 (3) the Nation's State, local, and tribal govern-
12 ments and private, nonprofit organizations are deal-
13 ing with increasingly complex problems which re-
14 quire the delivery and coordination of many kinds of
15 services; and

16 (4) streamlining and simplification of Federal
17 financial assistance administrative procedures and
18 reporting requirements will improve the delivery of
19 services to the public.

20 **SEC. 3. PURPOSES.**

21 The purposes of this Act are to—

22 (1) improve the effectiveness and performance
23 of Federal financial assistance programs;

24 (2) to simplify Federal financial assistance ap-
25 plication and reporting requirements;

1 (3) to improve the delivery of services to the
2 public; and

3 (4) to facilitate greater coordination among
4 those responsible for delivering such services.

5 **SEC. 4. DEFINITIONS.**

6 In this Act:

7 (1) DIRECTOR.—The term “Director” means
8 the Director of the Office of Management and Budg-
9 et.

10 (2) FEDERAL AGENCY.—The term “Federal
11 agency” means any agency as defined under section
12 551(1) of title 5, United States Code.

13 (3) FEDERAL FINANCIAL ASSISTANCE.—The
14 term “Federal financial assistance” has the same
15 meaning as defined in section 7501(a)(5) of title 31,
16 United States Code, under which Federal financial
17 assistance is provided, directly or indirectly, to a
18 non-Federal entity.

19 (4) LOCAL GOVERNMENT.—The term “local
20 government” means a political subdivision of a State
21 that is a unit of general local government (as de-
22 fined under section 7501(a)(11) of title 31, United
23 States Code);

1 (5) NON-FEDERAL ENTITY.—The term “non-
2 Federal entity” means a State, local government, or
3 nonprofit organization.

4 (6) NONPROFIT ORGANIZATION.—The term
5 “nonprofit organization” means any corporation,
6 trust, association, cooperative, or other organization
7 that—

8 (A) is operated primarily for scientific,
9 educational, service, charitable, or similar pur-
10 poses in the public interest;

11 (B) is not organized primarily for profit;
12 and

13 (C) uses net proceeds to maintain, im-
14 prove, or expand the operations of the organiza-
15 tion.

16 (7) STATE.—The term “State” means any
17 State of the United States, the District of Columbia,
18 the Commonwealth of Puerto Rico, the Virgin Is-
19 lands, Guam, American Samoa, the Commonwealth
20 of the Northern Mariana Islands, and the Trust
21 Territory of the Pacific Islands, and any instrumen-
22 tality thereof, any multi-State, regional, or interstate
23 entity which has governmental functions, and any
24 Indian Tribal Government.

1 (8) TRIBAL GOVERNMENT.—The term “tribal
2 government” means an Indian tribe, as that term is
3 defined in section 7501(a)(9) of title 31, United
4 States Code.

5 (9) UNIFORM ADMINISTRATIVE RULE.—The
6 term “uniform administrative rule” means a govern-
7 ment-wide uniform rule for any generally applicable
8 requirement established to achieve national policy
9 objectives that applies to multiple Federal financial
10 assistance programs across Federal agencies.

11 **SEC. 5. DUTIES OF FEDERAL AGENCIES.**

12 (a) IN GENERAL.—Not later than 18 months after
13 the date of enactment of this Act, each Federal agency
14 shall develop and implement a plan that—

15 (1) streamlines and simplifies the application,
16 administrative, and reporting procedures for Federal
17 financial assistance programs administered by the
18 agency;

19 (2) demonstrates active participation in the
20 interagency process under section 6(a)(2);

21 (3) demonstrates appropriate agency use, or
22 plans for use, of the common application and report-
23 ing system developed under section 6(a)(1);

1 (4) designates a lead agency official for carry-
2 ing out the responsibilities of the agency under this
3 Act;

4 (5) allows applicants to electronically apply for,
5 and report on the use of, funds from the Federal fi-
6 nancial assistance program administered by the
7 agency;

8 (6) ensures recipients of Federal financial as-
9 sistance provide timely, complete, and high quality
10 information in response to Federal reporting re-
11 quirements; and

12 (7) establishes specific annual goals and objec-
13 tives to further the purposes of this Act and meas-
14 ure annual performance in achieving those goals and
15 objectives, which may be done as part of the agen-
16 cy's annual planning responsibilities under the Gov-
17 ernment Performance and Results Act.

18 (b) EXTENSION.—If one or more agencies are unable
19 to comply with the requirements of subsection (a), the Di-
20 rector shall report to the Committee on Governmental Af-
21 fairs of the Senate and the Committee on Government Re-
22 form and Oversight of the House of Representatives the
23 reasons for noncompliance. After consultation with such
24 committees, the Director may extend the period for plan

1 development and implementation for each noncompliant
2 agency for up to 12 months.

3 (c) COMMENT AND CONSULTATION ON AGENCY
4 PLANS.—

5 (1) COMMENT.—Each agency shall publish the
6 plan developed under subsection (a) in the Federal
7 Register and shall receive public comment of the
8 plan through the Federal Register and other means
9 (including electronic means). To the maximum ex-
10 tent practicable, each Federal agency shall hold pub-
11 lic forums on the plan.

12 (2) CONSULTATION.—The lead official des-
13 ignated under subsection (a)(4) shall consult with
14 representatives of non-Federal entities during devel-
15 opment and implementation of the plan. Consulta-
16 tion with representatives of State, local, and tribal
17 governments shall be in accordance with section 204
18 of the Unfunded Mandates Reform Act of 1995 (2
19 U.S.C. 1534).

20 (d) SUBMISSION OF PLAN.—Each Federal agency
21 shall submit the plan developed under subsection (a) to
22 the Director and Congress and report annually thereafter
23 on the implementation of the plan and performance of the
24 agency in meeting the goals and objectives specified under
25 subsection (a)(7). Such report may be included as part

1 of any of the general management reports required under
2 law.

3 **SEC. 6. DUTIES OF THE DIRECTOR.**

4 (a) IN GENERAL.—The Director, in consultation with
5 agency heads, and representatives of non-Federal entities,
6 shall direct, coordinate and assist Federal agencies in es-
7 tablishing:

8 (1) A common application and reporting sys-
9 tem, including—

10 (A) a common application or set of com-
11 mon applications, wherein a non-Federal entity
12 can apply for Federal financial assistance from
13 multiple Federal financial assistance programs
14 that serve similar purposes and are adminis-
15 tered by different Federal agencies;

16 (B) a common system, including electronic
17 processes, wherein a non-Federal entity can
18 apply for, manage, and report on the use of
19 funding from multiple Federal financial assist-
20 ance programs that serve similar purposes and
21 are administered by different Federal agencies;
22 and

23 (C) uniform administrative rules for Fed-
24 eral financial assistance programs across dif-
25 ferent Federal agencies.

1 (2) An interagency process for addressing—

2 (A) ways to streamline and simplify Fed-
3 eral financial assistance administrative proce-
4 dures and reporting requirements for non-Fed-
5 eral entities;

6 (B) improved interagency and intergovern-
7 mental coordination of information collection
8 and sharing of data pertaining to Federal fi-
9 nancial assistance programs, including appro-
10 priate information sharing consistent with the
11 Privacy Act of 1974; and

12 (C) improvements in the timeliness, com-
13 pleteness, and quality of information received
14 by Federal agencies from recipients of Federal
15 financial assistance.

16 (b) LEAD AGENCY AND WORKING GROUPS.—The Di-
17 rector may designate a lead agency to assist the Director
18 in carrying out the responsibilities under this section. The
19 Director may use interagency working groups to assist in
20 carrying out such responsibilities.

21 (c) REVIEW OF PLANS AND REPORTS.—Agencies
22 shall submit to the Director, upon his request and for his
23 review, information and other reporting regarding their
24 implementation of this Act.

1 (d) EXEMPTIONS.—The Director may exempt any
2 Federal agency or Federal financial assistance program
3 from the requirements of this Act if the Director deter-
4 mines that the Federal agency does not have a significant
5 number of Federal financial assistance programs. The Di-
6 rector shall maintain a list of exempted agencies which
7 will be available to the public through OMB’s Internet
8 site.

9 **SEC. 7. EVALUATION.**

10 (a) IN GENERAL.—The Director (or the lead agency
11 designated under section 6(b)) shall contract with the Na-
12 tional Academy of Public Administration to evaluate the
13 effectiveness of this Act. Not later than 4 years after the
14 date of enactment of this Act, the evaluation shall be sub-
15 mitted to the lead agency, the Director, and Congress. The
16 evaluation shall be performed with input from State, local,
17 and tribal governments, and nonprofit organizations.

18 (b) CONTENTS.—The evaluation under subsection (a)
19 shall—

20 (1) assess the effectiveness of this Act in meet-
21 ing the purposes of this Act and make specific rec-
22 ommendations to further the implementation of this
23 Act;

1 (2) evaluate actual performance of each agency
2 in achieving the goals and objectives stated in agen-
3 cy plans;

4 (3) assess the level of coordination among the
5 Director, Federal agencies, State, local, and tribal
6 governments, and nonprofit organizations in imple-
7 menting this Act.

8 **SEC. 8. COLLECTION OF INFORMATION.**

9 Nothing in this Act shall be construed to prevent the
10 Director or any Federal agency from gathering, or to ex-
11 empt any recipient of Federal financial assistance from
12 providing, information that is required for review of the
13 financial integrity or quality of services of an activity as-
14 sisted by a Federal financial assistance program.

15 **SEC. 9. JUDICIAL REVIEW.**

16 There shall be no judicial review of compliance or
17 noncompliance with any of the provisions of this Act. No
18 provision of this Act shall be construed to create any right
19 or benefit, substantive or procedural, enforceable by any
20 administrative or judicial action.

21 **SEC. 10. STATUTORY REQUIREMENTS.**

22 Nothing in this Act shall be construed as a means
23 to deviate from the statutory requirements relating to ap-
24 plicable Federal financial assistance programs.

1 **SEC. 11. EFFECTIVE DATE AND SUNSET.**

2 This Act shall take effect on the date of enactment
3 of this Act and shall cease to be effective five years after
4 such date of enactment.

 Passed the Senate October 12 (legislative day, October 2), 1998.

Attest:

GARY SISCO,
Secretary.